

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION FOR RATE INCREASE)	CASE NO.
OF BEAVER-ELKHORN WATER DISTRICT)	89-185

O R D E R

On July 3, 1989, Beaver-Elkhorn Water District ("Beaver-Elkhorn") filed an application with the Commission seeking approval of a proposed increase in its rates for water service. The proposed rates for water service would generate additional annual revenues of \$86,902, an increase of 21.5 percent over adjusted test-year revenues.

In August of 1989, Commission Staff conducted a field review of Beaver-Elkhorn's test-period financial records. Based upon this review, Commission Staff issued its report on September 28, 1989, recommending that Beaver-Elkhorn be authorized to increase its annual operating revenues by \$52,194.

By letter dated October 5, 1989, Beaver-Elkhorn was advised to file comments on the Staff Report or request a hearing no later than October 19, 1989, or the case would stand submitted to the Commission for decision. On October 13, 1989, the Commission received a letter from counsel for Beaver-Elkhorn accepting the findings of the Staff Report.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable rates for service provided by Beaver-Elkhorn and will produce annual revenues from water sales of \$457,318 and after inclusion of \$13,584 in other operating revenues will provide total operating revenue of \$470,902. These rates will allow Beaver-Elkhorn sufficient revenues to meet its operating expenses, service its debt, and provide for future equity growth.

3. The rates proposed by Beaver-Elkhorn would produce revenue increases which are unreasonable and thus inconsistent with KRS 278.030.

IT IS THEREFORE ORDERED that:

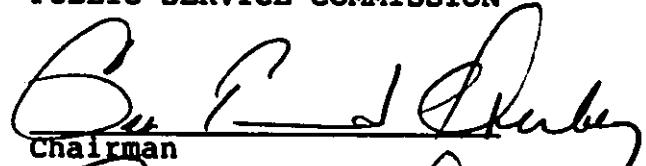
1. The rates proposed by Beaver-Elkhorn in its application are hereby denied.

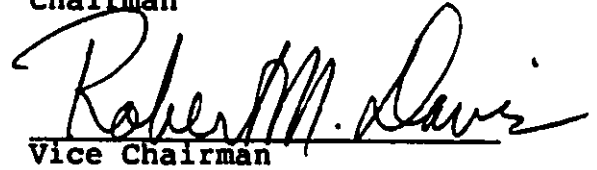
2. The rates contained in Appendix A are approved for service rendered by Beaver-Elkhorn on and after the date of this Order.

3. Within 30 days of the date of this Order, Beaver-Elkhorn shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 20th day of November, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-185 DATED November 20, 1989.

The following rates and charges are prescribed for water service to customers of Beaver-Elkhorn Water District. All other rates and charges not specifically set forth herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

<u>Usage Increment</u>	<u>Rate</u>
First 1,000 gallons	\$9.75 Minimum Bill
Next 19,000 gallons	1.75 per 1,000 gallons
Next 30,000 gallons	1.60 per 1,000 gallons
Next 50,000 gallons	1.35 per 1,000 gallons
Over 100,000 gallons	1.20 per 1,000 gallons
Wholesale Rate	1.20 per 1,000 gallons